

Welcome to the City of Saint Paul's Business First-Stop Shop

"In partnership with others, to encourage investment in Saint Paul." City of Saint Paul's Department of Planning and Economic Development Mission Statement.

Business Financial Assistance

PED provides business financial assistance to new and growing small businesses whose new financing needs cannot be met solely by conventional private/nonprofit financing, but demonstrate capacity to repay loans. PED finances projects that:

- Promote growth and increase the wealth of the community
- Redevelop property or otherwise expand the tax base
- Create living wage jobs
- Enhance services for low and moderate income residents

General Eligibility: Applicants must be for-profit businesses located in or moving into Saint Paul. Applicants for loan guarantees must be ineligible for the SBA 7(a) guarantee program, or have been denied by the program. Information on SBA loan programs is available at local banks and (800) 8-ASK-SBA.

Proposals for direct loans should include participation by other lenders and/or equity investors (minimum ratio of 1:1).

Eligible Uses: Eligible business project expenses include purchases of real estate and equipment, rehabilitation/leasehold improvements, working capital, and lines of credit (guarantee only). PED financial assistance cannot be used to refinance existing debt.

Guarantee Limits: PED will guarantee up to 50 percent, or up to \$50,000 of the loan, whichever is less.

Loan Limits: All loans and loan guarantees must be approved by the PED Credit Committee. Direct loans over \$100,000 must be approved by the City's Housing and Redevelopment Authority (HRA).

Terms: PED's current base lending rate is 6.5%; repayment schedules match those of participating lenders or the life of the asset.

Fees: PED will charge an origination fee of 1.5% on the PED portion of the loan to the borrower. An annual fee based on the outstanding principal balance will also be charged for loan guarantees.

Collateral: All direct and guaranteed loans must be secured. A minimum 1:1 ratio of collateral value to loan value is required.

Compliance: Depending on the amount and source of the guarantee or loan, job creation goals and other employment standards may apply. Most capital improvement projects are required to pay workers prevailing wages, and may be asked to include some small, minority, or women vendors registered in the Vendor Outreach Program.